

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	59210	Agenda Number	20.
Meeting Date:		June 16, 2016			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of 15 36-month contracts to provide professional underwriter and investment banking services for negotiated bond sales with CITIGROUP GLOBAL MARKETS INC.; MORGAN STANLEY; WELLS FARGO SECURITIES, LLC; RBC CAPITAL MARKETS, LLC; JP MORGAN SECURITIES LLC; GOLDMAN SACHS & CO.; RAYMOND JAMES & ASSOCIATES; JEFFERIES LLC; PIPER JAFFRAY & CO.; ROBERT W. BAIRD & CO.; HILLTOP SECURITIES INC.; LOOP CAPITAL MARKETS; SIEBERT, BRANDFORD, SHANK & CO.; RAMIREZ & CO.; and ESTRADA HINOJOSA & CO., or one of the other qualified offerors to Request For Qualification Statements TVN0103Rebid, with two 12-month extension options.					
Amount and Source of Funding					
Funding for underwriter and investment banking services will be available from proceeds from future bond sale transactions. These costs are deducted from the proceeds of the bonds by the underwriters at closing of the bond transaction and a bond issuer (such as the City of Austin) typically does not write a check for these services, which is an established financial industry practice..					
Fiscal Note					
Expenditure of funds is contingent on future bond sales. A fiscal note is not required; funding will be available from future bond sale proceeds.					
Purchasing Language:	The Purchasing Office issued a Request for Qualifications Statements (RFQS) TVN0103Rebid for these services on February 8, 2016 and it closed on March 8, 2016 with 34 offers received. The recommended offers are the best evaluated offers submitted by responsible offerors. Additional information on the solicitation is included below the line. The recommended offerors are all current providers for these services.				
Prior Council Action:					
For More Information:	Terry V. Nicholson, Sr. Buyer Supervisor, 512-974-2995				
Boards and Commission Action:					
Related Items:					

<b>MBE / WBE:</b>	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this solicitation, there were insufficient subcontracting opportunities and an insufficient number of certified M/WBEs; therefore, no subcontracting goals were established.
<b>Additional Backup Information</b>	
<p>The contracts, managed by the Treasury Office of the Financial Services Department, will provide the City with underwriter and investment banking services to assist the City in marketing future municipal bond financing transactions. Specifically, responsibilities of the underwriting firms will be to prepare marketing plans, assess bond market condition and strategies for local, regional and national markets; assist with the preparation of the preliminary and final official statements to fully comply with all disclosure rules and requirements; assist with evaluation and preparation of the bond indenture and/or other agreements; manage co-managing underwriters to include maintenance of records of the account and associated book-running and prepare post-sale and closing documents. The City typically conducts three to five bond sales per year. With each transaction, an underwriting team with a senior manager will be established from the 15 firms identified above. Firms will be assigned transactions on a modified rotational basis, typically with one senior manager and four co-managers. The City will make every effort to assign transactions in an equitable manner, keeping detailed assignment records throughout the contract period to aid in the assignment process.</p> <p>An evaluation team with expertise in this area evaluated the qualification statements for national, regional &amp; other categories and scored these firms as the best to provide these services based on the evaluation criteria.</p> <p>This request allows for the development of a contract with qualified offerors that Council selects. If the City is unsuccessful in negotiating a satisfactory contract with the selected offerors, negotiations will cease with those providers. Staff will return to Council so Council may select other qualified offerors and authorize contract negotiations with those providers.</p> <p>A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: <a href="#">Solicitation Documents</a></p>	